Supreme Court has vacillated from one extreme to the other. *Cf. Bronson* v. *Kinzie*, 1 How. (U. S.) 311, and *South Carolina* v. *Guillard*, 101 U. S. 433, with *Edwards* v. *Kearzey*, 96 U. S. 595. The principal case is a strong authority for the latter view. See also *Edwards* v. *Williamson*, 70 Ala. 145; *Blair* v. *Williams*, 4 Litt. (Ky.) 34. And it would seem that on principle this position is unassailable. The aim of the prohibition is to prevent the lessening of the value of existing obligations by legislative action. See *Planters' Bank* v. *Sharp et al.*, 6 How. (U. S.) 301, 330. And certainly from a legal viewpoint, the binding force of legal obligations and the value of legal rights are, in the last analysis, dependent upon and commensurate with the remedy afforded by the law for their enforcement. See *Edwards* v. *Kearzey*, *supra*, 600.

CORPORATIONS — CORPORATE POWERS — GUARANTY OF BONDS. — An Ohio railroad corporation, one of four owners of all the stock of a Canadian railroad, jointly with the other stockholders purchased an issue of bonds of the Canadian corporation. The Public Utilities Commission approved an agreement whereby the Ohio company with the other bond owners jointly and severally contracted to guarantee the payment of these bonds. Minority shareholders objected. *Held*, that the Ohio corporation has implied power to guarantee the payment only of the bonds which it severally holds. *Pollitz* v. *Public Utilities Commission*, 117 N. E. 149 (Ohio).

A contract of guaranty is generally foreign to the objects for which a corporation is created. *Colman* v. *Eastern Counties Ry. Co.*, 10 Beav. 1; *Davis* v. *Old Colony R. Co.*, 131 Mass. 258. See 1 CLARK AND MARSHALL, PRIVATE CORPORATIONS, § 184. A public utility company is especially prohibited from risking its funds in enterprises which its stockholders, its creditors, or the state have no reason to anticipate from its charter. See *Louisville, etc. Ry.* v. *Louisville Trust Co.*, 174 U. S. 552, 567; *Marbury* v. *Ky., etc. Land Co.*, 62 Fed. 335, 342. See 1 ELLIOTT, RAILROADS, 2 ed., § 481; 3 COOK, CORPORATIONS, 7 ed., § 775. A railroad, however, may contract to accomplish a purpose reasonably implied from charter or statutory authority. See JONES, CORPORATE BONDS AND MORTGAGES, 3 ed., § 281. See also C. B. Labatt, "Power of Corporation to Execute Guarantees," 31 AM. L. REV. 363. Thus a railroad having the right to lease a subsidiary may guarantee the bonds of the leased corporation. *Low* v. *Cal., etc. R. Co.*, 52 Cal. 53. But see D. L., "*Ultra Vires*," 16 AM. L. REG. (N. S.) 513. A corporation having railroad and banking powers may guarantee the bonds of a railroad corporation of which it is a majority stockholder. *Central R. & Banking Co.* v. *Farmers', etc. Co.*, 114 Fed. 263. In the principal case it was conceded that the Ohio company might acquire the stocks and bonds of the Canadian corporation. The financial responsibility of the other joint guarantors was not questioned. The joint guaranty, it seems, would enhance the value of the bonds held by the Ohio company. A joint agreement for the issue of equipment trust certificates by some of the same companies had been upheld. *Venner* v. *N. Y. C. & H. R. Co.*, 81 Misc. (N. Y.) 298, 143 N. Y. S. 211; *id.* 160 App. Div. (N. Y.) 127, 145 N. Y. S. 725. It is submitted that the court took an unduly contracted view of the admitted powers of the corporation in denying to it the right to secure, by a joint arrangement, the economic advantage which was the object of this transaction.

EQUITY — EXERCISE OF JURISDICTION — SUSPICION OF IMPROPER MOTIVE AS GROUND FOR REFUSING RELIEF. — Defendant created an irrevocable trust, providing that the income was to be paid to himself during his life, and the property to be given at his death to such persons as he should by will appoint. The trust was declared not subject to claims of creditors; but by statute such a trust fund could not be exempted from claims of creditors. (N. J. Comp. St. 1910, 2617.) Plaintiff had on three prior occasions loaned